

Illinois Workers' Compensation Commission Advisory Board Meeting
Held on September 26, 2006
Illinois Workers' Compensation Commission, Springfield

Those present at the meeting were:

Chairman Dennis R. Ruth
Member: David Buckman, CORE Construction Group
 Frank Cavaretta, United Steel Workers of America
 Mark Flannery, Caterpillar, Inc.
 Dave Menchetti, Cullen, Haskins, Nicholson, & Menchetti

Those members participating in the meeting via conference call were:

James Brown, International Association of Machinists
Michael Carrigan, Illinois AFL-CIO
Kim Presbrey, Presbrey & Associates
Jerry Roper, Chicagoland Chamber of Commerce
Dave Vite, Illinois Retail Merchants Association

Also Present: Dan Creedon, Legislative Liaison
 Amy Masters, Chief of Staff/Assistant Secretary

Chairman Ruth called the meeting to order at 1:10 p.m.

Upon motion duly made, seconded and unanimously carried, the minutes of the Commission meeting held on April 6, 2006 were approved as presented.

The Chairman updated the board on the development of additional fee schedules in an effort to create a more comprehensive fee schedule. He explained that Glen Boyle, fee schedule project manager, is currently working with Ingenix to develop a hospital outpatient fee schedule using the same Ingenix database that was utilized to develop the professional services fee schedule, though in this case limited solely to hospital billing. Additionally, Glen Boyle is working with a database from the Illinois Department of Public Health (IDPH) to create a fee schedule for hospital outpatient surgical treatment. Currently data for both fee schedules are in the preliminary stages and will need to be further defined. The Chairman will work with and keep updated both the Workers' Compensation Advisory Board and the Medical Fee Advisory Board as the fee schedules are being developed. The Chairman added that after these 2 fee schedules are developed, only the ASCTs will be undefined, comprising less than 5% of all workers' compensation medical treatments.

The Chairman noted that as directed by Section 8.2(a) of the Illinois Workers' Compensation Act, the rates in the Illinois workers' compensation medical fee schedule will be increased by 3.8%, which is the increase in the Consumer Price Index-U between August 2005 and August 2006. The increase will take effect for all treatment on or after January 1, 2007. The Chairman noted that this increase demonstrates an approximate 6% savings on cost containment of growth, as medical costs are growing an average of 10% each year. The chairman added that new fee

schedule rates for 2007 will be posted on the IWCC web site in December and will become effective beginning January 1, 2007.

The Chairman also spoke about the importance of publicizing positive Commission news regarding workers' compensation. The Chairman asked for members to provide the Commission with contact information for public information officers at their associations so Commission news could be disseminated appropriately. Additionally, he asked associations to disseminate this information to their members as well.

The Chairman informed the board that the Workers' Compensation Medical Fee Advisory Board has been discussing balance billing forms and other related issues. Additionally the board recently drafted a statement to clarify the law and rules regarding the precedence of an existing contract over the fee schedule. The policy states if there is a contract for medical services, the fee schedule does not apply.

Mr. Flannery requested to have a joint meeting between the Workers' Compensation Advisory Board and the Medical Fee Advisory Board to discuss future issues regarding balance billing and forms. The Chairman indicated he would inform all board members of upcoming Medical Fee Advisory Board meetings and stressed that all board members are welcome to attend.

The board discussed the timetable in resolving workers' compensation cases. The Chairman noted that since last year, 3 month continuances between status calls were reduced to 2 months. Additionally, Commission policies have focused both on trying cases and pushing the resolution of cases above the red line, resulting in a significant increase in trials and a 7% reduction of the oldest cases. Mr. Menchetti noted that cases appear to be moving faster in his estimation. The Chairman also noted that the filing of claims has been reduced, and the Commission has also reduced the backlog of cases by 10,000.

The Chairman reported the Insurance Compliance department will be adding 8 new investigators across the state. As of the end of Fiscal Year 2006 (ending June 30, 2006), the department collected \$159,000 in fines. He noted that current director, Jannis Eisbart, has spent a great deal of her first year with the department developing policies and procedures; establishing public outreach, and is working closely with the Attorney General's office. She is also working with NCCI to obtain information regarding employers with cancelled workers' compensation policies for investigatory purposes. In the month of October, the department issued 2 fines for \$40,000 and \$50,000, which to date are the largest fines actually collected by the Commission since it began enforcing the insurance provisions of the Act.

Mr. Brown noted that many trucking companies move across the Illinois border to Indiana and are conducting business in Illinois without insurance. He stressed the importance of investigating those companies and asked how to address these companies. The Chairman suggested that Insurance Compliance could also work with other agencies to address these out of state companies. The Chairman noted that the Insurance Compliance department is currently working with the Illinois Liquor Commission to serve notices on noncompliant restaurant and bar businesses. The Chairman added that the department is just getting started and he will keep the board updated regarding future news, especially fines and prosecutions.

Next, subject to Section 19(p), the Chairman requested a list from both the employer and employee representatives of recommended Commission arbitrators for binding voluntary arbitration, each of whom shall be approved by at least 7 members of the Advisory Board. The

Chairman indicated he would review the list and will select 5 persons from the combined list to serve as arbitrators under this subsection (p). Currently no cases requesting binding voluntary arbitration are pending.

The recommended lists of certified arbitrators pursuant to Section 19(p) include:

<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>
<u>Chicago</u>	<u>Chicago</u>	<u>Downstate</u>	<u>Downstate</u>
Gerald Jutila	Kurt Carlson	Jo Ann Fratianni	George Andros
Charles DeVriendt	Charles DeVriendt	Robert Lammie	John Dibble
Kathleen Hagan	Gilberto Galicia	Anthony Erbacci	Robert Falcioni
David Kane	Paula Gomora	George Andros	Leo Hennessy
Brian Cronin	David Kane	John Dibble	Jacqueline Kinnaman
Robert Williams	Gerald Jutila	Neva Neal	Andrew Nalefski
Peter O'Malley	Peter O'Malley	David Akemann	Jennifer Teague
	Maureen Pulia	Ruth White	Jeff Tobin
		Steve Mathis	

Upon motion the Advisory Board meeting was adjourned at 2:30 pm.